

# Foreword

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The papers included in this book were presented to the Commonwealth Secretariat/World Bank Joint Task Force on Small States as background papers to facilitate its work. They were discussed at two high-level conferences organised by the Task Force in St. Lucia in February 1999 and London in February 2000. I believe that their publication will help inform continuing analysis and debate on small states issues in the countries themselves, and in multilateral and other institutions that provide support and influence their development.

The Report of the Commonwealth Secretariat/World Bank Joint Task Force on Small States, *Small States: Meeting the Challenges in the Global Economy* was a landmark document. For small developing states, it marked for the first time a recognition by the international community of the special economic challenges that such states face in today's increasingly global economy. And it set out both a conceptual framework and agenda for addressing these challenges – for the states themselves and for the international and other organisations that provide them with assistance and influence their development.

The timeliness and importance of this initiative by the Commonwealth Secretariat and the World Bank for small states cannot be emphasised enough. We are now at a crossroads where the increasing trend towards globalisation could overwhelm the economies of many small states unless their special concerns in terms of vulnerability and transitional problems are taken into account. Small states have not only recognised these emerging trends but have been making determined efforts to chart new courses for their imperilled societies. They have been engaged in devising coherent strategies for integrating their economies with the larger trading blocs and with the new global trading system. They have been re-engineering their domestic economies to make them follow export-propelled policies; to create the conditions for sustainable growth based on sound macro-economic policies; and to foster an environment within which market-driven solutions can be found at all levels of the economic system. They have also been steadfastly building regional economic integration as a means of creating economies of scale.

But all the efforts at domestic adjustment and regional co-operation alone will not suffice. The changes involved in globalisation are so profound that the implications for small developing countries cannot be addressed

only by the pursuit of conventional economic policy. The Task Force Report and the intellectual work that went into its production has provided the international community with a new development paradigm that addresses the challenges posed by efforts to successfully integrate small states into the new global economy. The work of the Task Force has also challenged us to devise new solutions to tackle the key issues of volatility, vulnerability and natural disasters; transition to the changing global trade regime; strengthening capacity; and the new opportunities and challenges of globalisation.

I believe this book will be of real value to those working on the issues identified by the Task Force and to all those who are interested in improving the economic prospects of small states throughout the world.

**Rt Honourable Owen Arthur**  
*Prime Minister of Barbados*